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FM AMEMBASSY DAMASCUS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7391
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0822
RUEHC/SECSTATE WASHDC PRIORITY 7392
RHEHNSC/NSC WASHDC PRIORITY
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0067

UNCLAS DAMASCUS 000844

SIPDIS

SENSITIVE
SIPDIS

DEPT PLEASE PASS TO EU MEMBER STATES COLLECTIVE IMMEDIATE
NEA/ELA
NSC FOR ABRAMS/DORAN/SINGH
TREASURY FOR GLASER/LEBENSON
EB/ESC/TFS FOR SALOOM

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [EINV](#) [SY](#)
SUBJECT: FACTS ON US BUSINESS ACTIVITY IN SYRIA

REF: A. LONDON 1459

[1B](#). DAMASCUS 641
[1C](#). DAMASCUS 196

[11](#). (SBU) The following information is offered for EU posts, consideration and reference when discussing aligning EU and USG policy vis--vis the SARG (ref A). Two discrepancies between USG and EU economic policy are apparent from Damascus: EU missions continue to promote business investment in Syria, including visits by trade missions from EU member states, and development assistance continues to flow from Europe. Though the EIB loans arguably have the highest profile, EU member states also have on-going bilateral development assistance programs with the SARG. This is in contrast to USAID, which closed its mission in Syria in 1983 following Syria's designation as a state sponsor of terrorism.

[12](#). (U) Unlike governments of EU countries, the USG does not promote US business activity in Syria. We do, in fact, discourage US companies that consult with us from investing in Syria at this time. In spite of this, the SARG has been using its control of domestic media to imply there is significant new American business interest in Syria. While this is not/not the case, it is part of a larger campaign the Syrian regime has been pursuing to hype foreign direct investment to reassure a worried public and subvert its international political isolation (ref B).

[13](#). (U) Though a ban on all US business activity is one of the six options available to President Bush under the Syria Accountability and Lebanese Sovereignty Restoration Act, which he signed into law in May 2004, it has not yet been implemented. In spite of that, most US companies have either divested or are in the process of divesting their business interests in Syria (ref C). We are not aware of any large US companies that are either pursuing existing business enterprises or exploring new opportunities in Syria. The only US companies we are aware of that are still pursuing business in Syria are either small companies privately owned by Syrian-Americans or small independent oil companies. US exports to Syria are banned, with the exception of food and medicine, but Exxon-Mobil and ConocoPhillips both have contracts to import oil from Syria. US imports from Syria did increase by roughly 20 percent last year (to USD 324

million total in imports), which could be largely attributable to the increased price of oil.
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